

~~SECRET~~CIA PROGRESS REPORT**CONFIDENTIAL**COPY NO. 2COPY: Annex 1 (Administration)
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It is not only in men and money that the agency has been troubled by expansion; the problem extends to things. In the fifteen months since October 1950, the need for procurement, storage, and distribution of materiel has been linked especially to OPC where a 1950 budget of [REDACTED] has since become a prospective [REDACTED] for FY 1953. During the same period recurrent shortages have made it more difficult than ever to procure the critical materiel so frequently required by OPC. As if these were not already difficulties enough, the problem has been further compounded by the fact that much of the procurement for OPC is in support of such sensitive activities that complex security procedures must be devised to conceal government interest in the purchase.

Initially the agency was wont to engage in operational planning without adequately considering its requirements for logistical support. To overcome this unfortunate disposition, the agency pumped fresh blood

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into a device known as its Projects Review Committee.

Comprised of the three Deputies and the Executive Assistant to the Director, PRB reviews, examines, and approves or disapproves major covert projects.

The problem extends to appreciation by planners of the need for a guarantee on materiel support and to the prompt and sufficient procurement of whatever may be required for that plan. Before presentation to PRB, all agency projects must now carry evidence of logistical support planning. To render this support, the agency has brought experienced personnel into its Procurement Office.

During the next year, as materiel shortages increase and allocations are extended, CIA's need for critical goods will continue to expand. This is particularly true of OPC inasmuch as that office is charged with the task of setting up extensive covert operations to be touched off in the event of war. Consequently, procurement is currently engaged in support of a program whose full extent is not yet known. This means that procurement must work in hand with OPC on a stockpiling program that will provide for the latter's eventual needs. The close working relationship

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demanded of these two offices points up a shortcoming that exists today throughout CIA. There is need almost everywhere for mutual understanding of the missions, the limitations, and the capabilities of offices cooperating on common projects. For example, those burdened with operational responsibility for a project should be more appreciative of the difficulties their plans may create in supply. And those engaged in supply should have a clear understanding of the importance of their efforts to success of the mission.

The need for this interchange of viewpoint is especially important among operating and administrative divisions. That it does not exist today in as many offices as it should is attributable in part to the autonomy under which OPC operated prior to reorganization. To a lesser extent it is also due to security restraints and to the over-emphasis in some parts of the agency on compartmentalization of information.

While this tendency to over-compartmentalize has been remedied in part, the vestiges of it persist. Fortunately, there are evidences that these barriers are being broken down by means of an agency-wide training program, by increased personnel rotation, and by the

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establishment of a career service. But nevertheless

the problem continues to be an aggravating one; here

there is work to be done.

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